GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2279
ANSWERED ON:30.07.2002
REALISATION OF OVERCHARGED AMOUNT FROM PHARMACEUTICAL COMPANIES
BALIRAM;DINSHA J. PATEL

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the name of the pharmaceutical companies and the amount overcharged recoverable from them ;

(b) the overcharged amount realized separately from these companies as on 30th June, 2002 ;

(c) the name of the companies which have taken the matter to the court along with the date on which the each matter was taken to court and the action taken by the Department thereon ; and

(d) the time by which the Government is likely to realize the amount overcharged from all the pharmaceuticals companies?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR)

(a) to (d) : Action against companies, who appear to have indulged in overcharging, is taken under para 13 of the Drugs (Prices Control) Order, 1995 (DPCO'95) by the National Pharmaceutical Pricing Authority (NPPA), which has issued around 110 notices to various companies. Issuance of show-cause notice by the NPPA under para 13 of the DPCO'95 is a continuous activity. The overcharged amounts mentioned in show-cause notices are only tentative figures calculated by the NPPA on the basis of the available information. The actual amount of overcharging in each case is determined after the scrutiny of the reply and documents furnished by the company.

As on 30th June, 2002, an amount of Rs.617.223 lakhs has been recovered by the NPPA from thirty eight companies on account of overcharging for drugs. Details are at Annexure-I.

In some cases companies/associations have filed petitions and though the orders of the courts relate to particular company/association, the same have implications for many other companies manufacturing/dealing with the particular bulk drug/formulation. The NPPA has been filing counter affidavits in the respective courts and taking effective follow up action.